



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: July 29, 2005

Subject: JUNE MONTHLY FINANCIAL
AND OPERATIONS REPORT

Attached is the Monthly Financial and Operations Report for the period ending June 30, 2005.

General Fund Revenues

Our estimation for FY05 General Fund revenues is \$2.2 million more than projected last month primarily due to an estimated increase of \$1.5 million for recognition of legal fee reimbursements and an increase of \$400 thousand for interest revenue. Total revenues for FY05 are estimated to be \$1.1 million more than budgeted.

General Fund Expenditures

Our estimation for FY05 General Fund expenditures is \$6.6 million lower than projected last month. Police department expenditures are estimated to be \$5.3 million lower due to changes in accounting methods and cost assumptions related to year-end accruals for termination pay and compensated absences. Total expenditures for FY05 are estimated to be \$20.3 million lower than budgeted.

General Fund Ending Fund Balance

We are estimating the ending unreserved undesignated fund balance to be \$106.6 million, which is slightly more than 8.2% of estimated expenditures less debt service.

Combined Utility System

We are estimating that operating transfers for FY05 to the Combined Utility System General Purpose Fund will be \$7.3 more than projected last month. This increase is primarily attributable to a estimated \$8.3 million increase in water sales and further decreases in projected operating expenses as the Houston Area Water Corporation Northeast Plant is not yet operational.

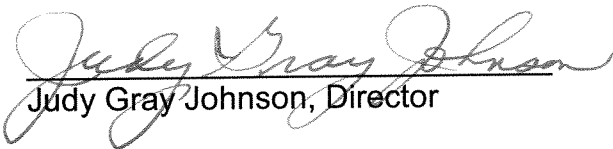
Aviation

We are estimating operating transfers for FY05 to Capital Improvement to be \$4 million more than projected last month. This increase is due to an estimated decrease in expenditures for services of \$6.5 million and a determination that the \$500 thousand Renewal and Replacement Operating Transfer will not be necessary as the fund balance is currently above \$12 million (bond covenants require a transfer when the fund balance falls below \$10 million). These changes are offset by an estimated increase in personnel costs of \$2 million and a net decrease of \$1.3 million in Non-operating Revenues.

Convention and Entertainment

We are estimating the FY05 Capital Outlay expense to be \$1 million less than projected last month. The estimation for FY05 operating revenues is \$300 thousand more than projected last month as a result of increased revenues from facility rentals. The estimation for operating expenditures is \$624 thousand lower than last month due to a reduction in expenditures for services.

Please let me know if you have any questions.


Judy Gray Johnson, Director